A Discussion Of Possible Player Security Options

(Pros, Cons and History)

As with any transaction involving a customer in a retail environment, despite any amount of reminders and safeguards it ultimately is the consumer's responsibility to verify a transaction.

For example, when someone buys a shirt or a pair of pants, it ultimately is up to that person to verify that the clothing rang up for the right price upon check-out, and if it didn't, to point out the discrepancy. The same is true for the customer who receives the bill in a restaurant. It ultimately is that person's responsibility to inspect the bill, verify that the correct items are included on it and that the total price is correct.

The same also is true for the consumer who hands a clerk a \$20 bill and receives change. It ultimately is that person's responsibility to check that they received the correct amount of money back. No matter what amount of checks and balances are in place, the final responsibility rests with the consumer.

Unlike the situations noted above, the Lottery has a security force ready and able to assist consumers and the general public with any issue. Although we do believe our system is strong, we evaluate new ideas and possible changes on an on-going basis. Some ideas that have been discussed in Canada and elsewhere are listed below, and we have reviewed all of these over the past number of months as the situations unfolded in Canada.

Lottery terminal plays a musical "jingle" when a winning ticket is scanned

- □ <u>Pro</u>: Notifies player that the ticket is a winner.
- On: Notifies anyone else in the area that the player has a winning ticket, leaving that person vulnerable to later becoming a target of those with ill intentions.
- History: Has been utilized in Iowa and other states, but has been abandoned by some, including Iowa, because of public-safety concerns expressed by players.
- <u>Timeframe</u>: Could be achieved by May 2008 if computer-programming request is completed by early February.

Lottery terminal prints a receipt for the player with each validation attempt

- □ Pro: A receipt for the player is available with each ticket that is validated.
- □ <u>Con</u>: Players don't want the receipts, creating paper waste and additional paper costs.
- History: Has been utilized in Iowa in years past, but the practice was ended because players in general did not want the receipts and retailers complained about the large amount of paper waste that was created when the receipts were thrown away. The receipts also resulting in additional costs for paper supplies and vendor expense.
- □ <u>Timeframe</u>: Could be achieved by May 2008 if computer-programming request is completed by early February.

Player education program

- Pro: Re-educate players about the importance of signing their tickets and general security reminders.
- Con: Cost of education program as yet undetermined. Would be established by the parameters of what any such campaign would entail.

- History: The lottery already provides such reminders in a variety of ways, including in its game brochures and on the Player Security pages on its Web site.
- □ Timeframe: 3-4 months for development and implementation.

Installation Of Self-Check Devices In Lottery Retail Locations

- Pro: Players can check their own tickets and the devices are a convenience for retailers, who do not have to handle those tickets.
- Con: The Lottery is nearing the end of its current equipment contract and based upon 2,250 locations that sell instant-scratch and lotto games in the state, it would cost approximately \$30 million annually to provide the self-check devices today.
- History: The Lottery looked into such devices as it was evaluating proposals for its current equipment contract in 2000-2001, but the technology was relatively new to the market at that time, and was an expensive add-on. The price under the current contract has gone much higher now that we are in the contract's final years. The Lottery should be able to include such equipment under a new contract, thus resulting in a lower cost.
- □ Timeframe: July 1, 2010.

The Lottery stands ready to hear your feedback regarding any of the items listed here. We will continue to evaluate other possibilities as they emerge, as has always been our practice.

And, as we have emphasized, the Lottery will continue to assist the ombudsman's office in its inquiry.